Deloitte &
Touche

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY

FINANCIAL STATEMENTS

June 30, 1991

Deloitte & Touche

92-07868/

Deloitte & Touche

Deloitte & Touche
Chartered Accountants

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AUDITORS' REPORT

To the Board of Directors of
Saskatchewan Institute of Applied Science and Technology

We have audited the statement of financial position of Saskatchewan Institute of Applied Science and Technology as at June 30, 1991 and the statement of changes in unappropriated operating fund balance and the statement of changes in trust and endowment fund balance for the year then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Institute as at June 30, 1991 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Deloitte & Touche

Chartered Accountants

August 28, 1991

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY
STATEMENT OF FINANCIAL POSITION
as at June 30, 1991

	1991	1990
CURRENT ASSETS		
Cash and short-term investments (Note 3)	$ 6,131,081	$11,038,205
Accounts receivable (Note 4)	4,351,323	3,973,945
Inventories (Note 5)	1,190,927	1,321,633
Prepaid expenses	349,341	321,624
	12,022,672	16,655,407
CAPITAL ASSETS (Note 6)	54,285,485	50,286,173
	$66,308,157	$66,941,580
CURRENT LIABILITIES		
Accounts payable	$ 2,789,911	$ 1,809,034
Salaries and benefits payable	1,986,860	11,601,993
Advances	-	32,450
Unearned revenue (Note 7)	4,466,803	4,801,478
Current portion of obligation under capital leases	655,931	502,926
	9,899,505	18,747,881
OBLIGATION UNDER CAPITAL LEASES (Note 8)	1,174,535	1,125,640
	11,074,040	19,873,521
EQUITY AND FUND BALANCES		
Equity in capital assets (Note 9)	52,455,019	48,657,606
Fund balances		
Operating Fund		
Unappropriated	415,522	(2,898,297)
Appropriated (Note 10)	2,293,561	1,251,038
Trust and Endowment Fund	70,015	57,712
	55,234,117	47,068,059
	$66,308,157	$66,941,580

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

..... Chairman of the Board

..... President and Chief Executive Officer

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY
STATEMENT OF CHANGES IN UNAPPROPRIATED OPERATING FUND BALANCE
year ended June 30, 1991

	1991			1990
	General Operations	Ancillary Services	Total Fund	Total Fund
Revenue				
Grants	$ 74,938,845	$ -	$ 74,938,845	$ 71,872,890
Contractual services	22,700,199	2,080	22,702,279	23,858,614
Sales (net of refunds)	1,001,348	4,726,737	5,728,085	5,403,389
Tuition (net of refunds)	6,029,212	-	6,029,212	5,192,239
Investment	926,209	145	926,354	1,662,951
Fees	392,856	1,543	394,399	327,002
Rentals	530,025	300	530,325	511,468
Donations and contributions	19,524	-	19,524	14,267
	106,538,218	4,730,805	111,269,023	108,842,820
Expenditures				
Salaries and employee benefits	63,589,040	819,855	64,408,895	62,615,926
Facilities rental	19,578,953	351	19,579,304	22,261,254
Material and supplies	4,471,431	3,370,173	7,841,604	7,761,230
Contractual services	4,640,347	26,833	4,667,180	4,664,597
Administrative	2,283,045	62,589	2,345,634	3,144,184
Travel	1,759,853	2,604	1,762,457	2,225,210
Equipment rental	756,183	7,214	763,397	768,219
Equipment repair and maintenance	635,293	4,252	639,545	1,037,407
Training allowances	1,044,159	-	1,044,159	993,828
Board	134,685	-	134,685	140,372
Scholarships and fee assistance	31,280	-	31,280	39,948
	98,924,269	4,293,871	103,218,140	105,652,175
Net revenue before capital acquisitions	7,613,949	436,934	8,050,883	3,190,645
Capital acquisitions	3,169,975	5,849	3,175,824	3,326,634
Capital lease payments	518,717	-	518,717	492,575
NET REVENUE (EXPENDITURE)	3,925,257	431,085	4,356,342	(628,564)
Inter-fund transfers	431,085	(431,085)	-	-
CHANGE IN FUND BALANCES FROM OPERATIONS	4,356,342	-	4,356,342	(628,564)
UNAPPROPRIATED OPERATING FUND BALANCE, BEGINNING OF YEAR	(2,898,297)	-	(2,898,297)	(1,989,803)
	1,458,045	-	1,458,045	(2,618,367)
Transfer from appropriated	1,251,038	-	1,251,038	971,108
Current Appropriations (Note 10)	(2,293,561)	-	(2,293,561)	(1,251,038)
UNAPPROPRIATED OPERATING FUND BALANCE, END OF YEAR	$ 415,522	$ -	$ 415,522	$ (2,898,297)

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY
STATEMENT OF CHANGES IN TRUST AND ENDOWMENT FUND BALANCE
year ended June 30, 1991

	1991	1990
Revenue		
Donations and contributions	$ 700,215	$ 757,508
Investment	10,254	14,020
	710,469	771,528
Expenditures		
Administrative	-	230
Scholarships and fee assistance	268,660	248,555
	268,660	248,785
Net revenue before capital acquisitions	441,809	522,743
Capital acquisitions	429,506	493,668
NET REVENUE	12,303	29,075
TRUST AND ENDOWMENT FUND BALANCE, BEGINNING OF YEAR	57,712	28,637
TRUST AND ENDOWMENT FUND BALANCE, END OF YEAR	$ 70,015	$ 57,712

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 1991

1. STATUTORY AUTHORITY

Saskatchewan Institute of Applied Science and Technology (SIAST) was established as a public educational corporation by the Legislative Assembly of Saskatchewan in an Act respecting the Saskatchewan Institute of Applied Science and Technology per S. S. 1986 - 1987 c.1-9.1 and O/C 1003/87. (cited as The Institute Act).

SIAST was created from the amalgamation of ten previously separate educational organizations within the Province of Saskatchewan. These include: Regina Plains Community College (Regina), Wascana Institute of Applied Arts and Sciences (Regina), Coteau Range Community College (Moose Jaw), Saskatchewan Technical Institute (Moose Jaw), Saskatoon Regional Community College (Saskatoon), Advanced Technology Training Centre (Saskatoon), Kelsey Institute of Applied Arts and Sciences (Saskatoon), Prince Albert Regional Community College (Prince Albert), Meadow Lake Regional Vocational Centre (Meadow Lake), and Northern Institute of Technology (Prince Albert).

The legislation enacting SIAST provided for the establishment of the corporation through the transfer, at no cost, of all the assets, liabilities and net equity of these ten previously separate organizations.

2. ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP), and include the following significant accounting policies:

Fund accounting

The accounts of SIAST are maintained in accordance with the principles of fund accounting to permit the observation of limitations and restrictions placed on the use of available resources. Under fund accounting, revenue and the related expenditures are accounted for in separate funds in accordance with objectives specified by donors, limitations and restrictions imposed by sources outside of SIAST, and determinations made by the Board of Directors.

For financial statement reporting purposes the Statement of Financial Position combines the assets, liabilities and fund balances of all funds.

2. ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

Fund accounting (continued)

The Statement of Changes in Unappropriated Operating Fund Balance shows the total revenue and expenditure of SIAST, after elimination of inter-fund transactions. The Operating Fund consists of revenue and expenditure used in the general operations of SIAST and is subdivided between general operations and ancillary services. General operations includes the administration and delivery of educational programs whereas ancillary services involves the resale of goods and services including bookstores, shop stores, food services and vending services.

The Statement of Changes in Trust and Endowment Fund Balance consists of those revenues and expenditures used for projects and purposes stipulated by donors and contributors, including scholarships and bursaries. Non-monetary asset donations are recorded as revenue and capital acquisitions.

Accounts receivable

Receivables are reported net of any provision for doubtful accounts.

Inventories

Inventories consist of merchandise and supplies held for resale and are valued at the lower of cost and net realizable value. Administrative and program supplies, library books and periodicals are not inventoried.

Capital assets

Capital assets are recorded at cost. Proceeds on retirement are recorded, net of disposal costs, as sales revenue in the operating fund. No provision for depreciation of capital assets is recorded as expenditures for capital assets are charged to the appropriate fund in the Statement of Changes in Fund Balances. These expenditures are also reflected on the Statement of Financial Position through corresponding entries to capital assets and equity in capital assets.

Capital leases

SIAST leases computer and other equipment on terms which transfer substantially all benefits and risks of ownership to SIAST. These leases are accounted for as "capital leases", as though an asset had been purchased and a liability incurred. Equity in assets under capital lease is recorded at the time the obligation is paid.

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 1991

3. CASH AND SHORT-TERM INVESTMENTS

	1991	1990
Cash	$ 6,118,319	$ 2,027,159
Short-term promissory notes and term deposits	12,762	9,011,046
	$ 6,131,081	$11,038,205

4. ACCOUNTS RECEIVABLE

Tuition fees	$ 76,139	$ 171,884
Programs delivered	1,129,115	2,398,171
Federal government	2,387,039	775,989
Provincial government	527,943	542,680
Other	231,087	85,221
	$ 4,351,323	$ 3,973,945

5. INVENTORIES

Bookstores	$ 1,013,135	$ 1,115,351
Food services	67,902	68,161
Shop and service supplies	109,890	138,121
	$ 1,190,927	$ 1,321,633

6. CAPITAL ASSETS

Furniture and equipment		
Balance, beginning of year	$49,649,693	$46,546,640
Net additions during the year	3,860,963	3,103,053
Balance, end of year	53,510,656	49,649,693
Leasehold improvements		
Balance, beginning of year	636,480	656,020
Net additions during the year	138,349	(19,540)
Balance, end of year	774,829	636,480
Total capital assets	$54,285,485	$50,286,173

Furniture and equipment includes assets under capital leases of $3,019,546 (1990 - $2,298,929).

7. UNEARNED REVENUE

	1991	1990
Tuition fees	$ 554,841	$ 494,045
Deferred grants	2,526,231	2,674,394
Contractual services	1,354,181	1,586,993
Other	31,550	46,046
	$ 4,466,803	$ 4,801,478

8. OBLIGATION UNDER CAPITAL LEASES

Capital leases pertain to computer and other equipment having various lease termination dates through 1998.

Balance, beginning of year	$ 1,628,566	$ 1,614,728
Additions during the year	1,825,186	1,111,513
Repayments during the year	(518,717)	(492,575)
Retirements during the year	(1,104,569)	(605,100)
Balance, end of year	$ 1,830,466	$ 1,628,566

Minimum lease payments under the capital leases are as follows:

Year ending June 30, 1992	$ 817,143
1993	664,890
1994	508,001
1995	46,580
1996	46,580
1997	46,580
1998	43,767
Total minimum lease payments	2,173,541
Less amount representing future interest charges	343,075
Net obligation under capital leases	1,830,466
Less current portion	655,931
Long-term portion	$ 1,174,535

Interest expensed during the year amounted to $179,070 (1990 - $141,747).

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 1991

9. EQUITY IN CAPITAL ASSETS

	1991	1990
Balance, beginning of year	$48,657,606	$45,531,720
Increase (decrease) during the year		
Equipment acquisitions	3,487,528	3,245,909
Repayment of obligation under capital lease	518,717	492,575
Donated capital assets	429,506	493,668
Retirements of equipment	(638,338)	(1,106,266)
Net increase	3,797,413	3,125,886
Balance, end of year	$52,455,019	$48,657,606

10. APPROPRIATED OPERATING FUND BALANCE

The Board of Directors has approved the following appropriation of the operating fund balance at the end of the year.

	1991	1990
Balance, beginning of year	$ 1,251,038	$ 971,108
Transfer to operating fund	(1,251,038)	(971,108)
	-	-
Appropriations:		
Equipment renewal	808,000	73,267
Facilities	193,000	-
Management information system	147,000	-
Outstanding purchase orders	254,393	655,081
Professional development	395,176	244,566
Program development	495,992	278,124
	2,293,561	1,251,038
Balance, end of year	$ 2,293,561	$ 1,251,038

11. RELATED PARTIES

SIAST has close operational arrangements with several Province of Saskatchewan organizations which are considered to be related parties.

During the year SIAST recorded grant revenue from the Saskatchewan Provincial Government through the Department of Education for operations and leasing of facilities in the amount of $77,492,955 (1990 - $73,688,103). The Department of Education also funds other institute training on a contractual basis. During the year $7,845,437 (1990 - $8,184,676) was recorded as revenue for these contractual programs.

SIAST leases the majority of its facilities from the Saskatchewan Property Management Corporation, a provincial crown corporation. Expenditures incurred by SIAST during the year for facility rentals amounted to $16,938,310 (1990 - $19,588,355).

Gabriel Dumont Institute (GDI) has entered into a contractual arrangement with SIAST whereby GDI is responsible for implementing a Native Services Division within SIAST. During the year SIAST recorded $345,000 (1990 - $345,000) in provincial grant revenue which was transferred to GDI as reimbursement for Native Services Division costs.

SIAST employees participate in various defined benefit and money purchase type pension plans. The majority of these are managed and administered by the Province of Saskatchewan through the Department of Finance on behalf of SIAST. Employer contributions for money purchase plans are included in expenditures in these financial statements. The Province of Saskatchewan remains responsible for any employer obligations associated with the defined benefit type pension plans.

SIAST uses the services of various other provincial crown corporations and agencies on a normal commercial basis.

12. COMMITMENTS

SIAST has a number of operating lease commitments pertaining to land, buildings and equipment. The majority of land and buildings are leased on a continuing basis from the Saskatchewan Property Management Corporation (SPMC). The remaining land and buildings are leased from private lessors. Equipment is leased from various private lessors.

A summary of these future minimum operating lease payments is as follows:

	Land and Buildings		Equipment
	SPMC	Other Lessors	
1992	$21,142,767	$ 1,627,799	$ 376,603
1993	20,959,124	1,563,653	259,854
1994	20,959,124	1,140,506	171,014
1995	20,752,969	1,140,506	-
1996	20,752,969	1,140,506	-